



# Trade Facts

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## **America's Trade with China**

### ***A Large and Growing Market***

- China is the world's second largest economy in real terms and a vast and growing market for U.S. products and services.
  - While global growth slowed to under 2 percent over the last three years, China's economy expanded by more than 8 percent.
  - The rising incomes of China's nearly 1.3 billion consumers have fueled strong demand for U.S. farm products, manufactured goods and technical services.
- Between 2000 and 2003, U.S. exports to China grew 76 percent, while sales to the rest of the world declined by 9 percent.
  - China is now the sixth largest market for U.S. exports and America's third largest trading partner overall – surpassing Japan in 2003.

### ***Benefiting American Exporters***

- Growing U.S. sales to China are benefiting American companies, farmers and workers.
- In 2003, the United States exported nearly \$5 billion in agricultural goods to China – an increase of more than 140 percent over 2002.
  - Soybean sales hit an all time high of nearly \$2.9 billion, and cotton exports reached a record of nearly \$740 million.
  - Strong sales of these and other products contributed to a \$3.7 billion U.S. agricultural trade surplus with China.
- China is among the fastest growing major overseas markets for U.S. manufactured goods.
  - U.S. exports of computers, electrical equipment and other electronic products to China increased by 20 percent between 2002 and 2003, topping \$7 billion.
  - Chemicals exports grew 24 percent to \$3.7 billion over the same period.
- Strong U.S. exports of transportation and education services contributed to a \$2 billion U.S. services trade surplus with China in 2002.
- The United States is working to increase U.S. exports and further open China's market to American goods and services by ensuring that China implements its WTO commitments faithfully and promptly.

- Through a variety of mechanisms, including WTO action, the United States is pressing China to ensure that U.S. firms are not subject to discriminatory taxation, that American intellectual property rights are protected, that market access commitments in areas such as financial services and agriculture are fully met, that China's trading regime operates transparently, and that promises to grant trading and distribution rights are implemented fully and on time.